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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-56-2020]

Foreign-Trade Zone (FTZ) 90 – Syracuse, New York; Notification of Proposed Production Activity; Xylem Water Systems USA LLC (Centrifugal and Submersible Pumps), Auburn, New York

Xylem Water Systems USA LLC (Xylem Water Systems) submitted a notification of proposed production activity to the FTZ Board for its facilities in Auburn, New York. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on August 11, 2020.

Xylem Water Systems already has authority to produce centrifugal and submersible pumps and related controllers within Subzone 90D (originally approved as Subzone 37D). The current request would add finished products and foreign status components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Xylem Water Systems from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status components noted below and in the existing scope of authority, Xylem Water Systems would be able to choose the duty rates during customs entry procedures that apply to: booster packages (which include centrifugal

pumps with affixed variable frequency drives that are stationed on a base); basin packages (which include compact, corrosion resistant, 6 gallon, cube-shaped basins with built-in threaded inlets, vent and discharge connections, sump pumps (submersible) and cord grommets for power cord sealing); transmission cables; and, motor parts (including motor fan covers, terminal box kits, conduit boxes and motor plug-in elements) (duty rate ranges from duty-free to 3%). Xylem Water Systems would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components sourced from abroad include transmission cables and motor parts (including motor fan covers, terminal box kits, conduit boxes and motor plug-in elements) (duty rate ranges from duty-free to 3%). The request indicates that certain components are subject to duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Christopher Wedderburn at
Chris.Wedderburn@trade.gov or (202) 482-1963.

Dated: September 2, 2020.

Andrew McGilvray,

Executive Secretary.

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